THE MINISTER OF FINANCE (SHRI JASWANT SINGH) : (a) Yes, Sir.

(b) The Statement made by the Director General UNIDO, does not contain any specific suggestion for policy revision.

(c) Government has put in place a liberal Foreign Direct Investment (FDI) policy and most of the sectors have been put on the automatic route. FDI inflows have registered consistent growth since 1991. FDI inflows have grown by 66% during the financial year 2001-2002 over that of 2000-2001. The FDI policy is reviewed on an ongoing basis by a Group of Ministers (GoM) on FDI constituted for this purpose.

Instructions to LIC to pay up S. Kumar's dues

*631. SHRI AMAR SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Government have asked the LIC to pay up S. Kumar's dues, to make it eligible for the Power Finance Corporation's credit enhancement guarantee for Shree Maheshwar Hydro Power Project in Madhya Pradesh;

(b) if so, what are the details thereof; and

(c) what are the specific reasons for which LIC has been instructed to subscribe to the tune of Rs. 100 crores ?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH) : (a) No such direction has been given to Life Insurance Corporation of India (LIC) by the Government.

(b) and (c) A meeting was held in the Ministry of Power on 4th March, 2003. One of the Agenda Items in the meeting related to Shree Maheshwar Hydro Power Corporation Limited (SMHPCL). During discussions it was, *inter alia*, requested that LIC may reconsider the terms and conditions of the amount already sanctioned by it and make advance subscription of Rs. 100 crores to the proposed issue of Optionally Fully Convertible Debentures (OFCD's) by SMHPCL. This would enable the Company to resume construction work and obtain credit enhancement guarantee from Power Finance Corporation (PFC).

LIC is fully competent and authorised to take their own decisions on all investment matters in accordance with Insurance Regulatory and Development Authority (Investment Regulations), 2000. It is informed by LIC that they have not yet taken any decision on the above request.